



**The Task Force on Court Facilities**  
455 Golden Gate Avenue, San Francisco, CA 94102-3660

**FINANCE AND IMPLEMENTATION COMMITTEE**

**Meeting Report**  
January 20, 2000  
915 L Street, Cedar Room  
Sacramento

<b>TASK FORCE ATTENDEES:</b> Hon. Daniel Kremer	<b>PRESENTERS:</b> Dr. Thomas Gardner, VITETTA
<b>COMMITTEE MEMBERS:</b> <b>PRESENT:</b> Mr. David Janssen, Chair Mr. Greg Abel Hon. Jerry Eaves Mr. Fred Klass Hon. Diane Wick	<b>TASK FORCE STAFF:</b> Mr. Bob Lloyd, Facilities Planner
<b>ABSENT:</b>	<b>CONSULTANTS TO THE TASK FORCE:</b> Dr. Thomas Gardner, VITETTA Ms. Kit Cole, VITETTA Mr. Jay Smith, DMJM
	<b>GUESTS:</b> Sue Bost, Department of Finance Rubin Lopez, CSAC Cathy Knighten, Office of Supervisor Smith

The Committee agenda included:

1. Review of issues on which the Committee reached consensus at the December 9 meeting
2. Governance structure of the entity responsible for trial court facilities
3. Scope of authorizing legislation to establish or modify responsible entity
4. Financing/funding ability of responsible entity
5. Capital outlay processes of responsible entity
6. Discussion and resolution of the issues which are still outstanding

*Agenda Item #1 – Issues on which there was consensus*

The Committee adopted the following as guiding principles:

- The importance of having organizational responsibility for fiscal issues and administrative/operational issues housed in the same agency/department/entity.
- The importance of the court as a separate branch of government with control/responsibility for its functions, staff and facilities.
- A state-based model is the optimal choice in order to ensure that fiscal and administrative responsibilities for the trial courts are co-located.
- The transfer of responsibility to the state should be “revenue neutral” for both the state and counties. The Committee focused on debt and revenue streams without determining a definition of “revenue neutral” or determining the scope of application of the term.
- Transfer of debt services and revenues will be to either the Judicial Council, a separate state authority or the state general fund.

- Financial and administrative responsibilities for new facilities for new judges will rest with the state, including the costs of operations and maintenance.
- Renovation and replacement costs will become a state responsibility as some point in the future.

In coming to consensus on the guiding principles, the Committee discussed the following:

Chairman Janssen pointed out that the mandate that the state pay for new facilities for new judges expires after June 30, 2001. Without legislative action, responsibility for court facilities will revert to the counties.

Supervisor Eaves raised the question of whether counties and courts will postpone any capital outlay activity on courts facilities during the transition period and whether the state will take over facilities that have been neglected or not maintained. The Committee generally discussed the issue of transition timelines and that transitioning responsibility for the trial courts will likely be phased over a period of time rather than occur immediately. The Committee discussed the need to address the issue of projects that are already in the “pipeline” and that the counties and the state may need to negotiate those projects as well as facility plans on a county-by-county basis.

Mr. Abel raised the issue of the Task Force on Trial Court Employees and pointed out that the Finance and Implementation Committee’s decision to treat the courts as a separate governmental entity is consistent with the Employees Task Force’s establishing employees as *court* employees.

Chairman Janssen asked Cathy Knighten of Supervisor Smith’s office for the CSAC Advisory Committee’s assistance in making specific suggestions on resolving certain outstanding issues, including facilities in the pipeline and mixed tenant buildings.

#### *Agenda Item #2 – Governance structure*

The Committee decided that the Judicial Council would act as the governing body for the administration and financing of trial court facilities. The establishment of a separate financing authority was seen as unnecessary. The AOC will provide staff for the Judicial Council’s facilities responsibilities. The consultants were directed to investigate providing the Judicial Council with the ability to incur debt and enter into leases as well as lease purchase agreement.

#### *Agenda Item #3 – Scope of authorizing legislation necessary*

This item was tabled for discussion at the March meeting.

#### *Agenda Item #4 – Funding ability*

This agenda item involved the Committee discussing the method(s) of funding court facility-related expenses. A final determination of funding sources will be made once the results of the county-by-county survey are analyzed. The consultants were directed to work with CSAC on providing a more extensive list of current court fees prior to the next Committee meeting. The Committee decided to consider the following as funding options for trial courts:

#### Ongoing maintenance

State general fund annual allocation included in the standard state budget process for state trial courts’ operational budget

#### New capital

State Infrastructure Bank

State bond

Courthouse Construction fees

User fees

Civil filing fees

Portion of settlements from civil cases

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*Agenda Item #5 – Capital outlay processes for new construction*

The Committee discussed the capital outlay process for new construction for the trial courts and determined that the process for capital outlay will follow the California State University system's streamlined model, with the Department of Finance allocating a set amount in a lump payment for major capital. If this approach is adopted, Judicial Council would be prohibited from coming back to Finance for additional funding should the project exceed the budget. Generally, the process for new construction will include the following steps:

- Local courts submit capital outlay requests to the Judicial Council
- Judicial Council staff (AOC) reviews requests and compiles master request which it submits to the Department of Finance
- Department of Finance reviews the request
- Department of Finance adds the request to the Governor's Budget (with any modifications, as necessary)
- The Legislative Analyst's Office reviews the Governor's Budget
- Legislative Budget hearings are held
- The state budget is approved, including lump sums for the trial courts capital outlay projects
- Department of Finance releases funds to the Judicial Council for allocation to the courts
- AOC promulgates regulations and procedures regarding bids for design and construction and oversight of construction management which delineate state versus local responsibility

*Agenda Item #6 – Issues still outstanding*

The following issues are still outstanding and will be discussed by the Committee at the March meeting:

- Transition of projects in the construction "pipeline"
- Mixed tenant buildings
- Land ownership
- Responsibility for funding and managing the renovation/renewal projects necessary to maintain current facilities

Next meeting

The next meeting is scheduled for March 1 and 2 in Napa. Exact date and time to be determined.